

PROJECT NUMBER: 08-0104

PROSPECTUS FOR PROPOSED CONSTRUCTION UNDER THE PUBLIC BUILDINGS ACT OF 1959

FEDERAL OFFICE BUILDING
SOUTH PORTAL SITE

WASHINGTON, D.C.

1. DESCRIPTION OF PROPOSED PROJECT:

The project contemplates the construction of a Federal building, with airconditioning, on Government-owned land enlarged by the acquisition of additional land, and the air rights over the center leg of the Inner Loop Freeway.

Approximate Area:

Gross - 998,000 Sq. Ft.

Net - 776,000 Sq. Ft.

2. ESTIMATED MAXIMUM COST OF PROJECT:

a. Site, design, engineering, supervision, etc.....	\$ 2,296,000
b. Improvements.....	<u>26,272,000</u>
Total estimated maximum cost.....	\$ 28,568,000

3. JUSTIFICATION:

The block comprised of Square 577 and Reservation 6B is located between Second, Third and C Streets and Independence Avenue in the District of Columbia near the west foot of Capitol Hill. The Federal buildings Health, Education and Welfare - North; Health, Education and Welfare - South; Food and Drug Laboratory (Federal Building No. 8); the U.S. Botanic Garden's building and the Rayburn House Office Building are located adjacent to this site.

Under the District of Columbia Highway program the Center Leg of the Inner Loop Freeway will be enclosed under the Mall in a tunnel. The Mall tunnel will traverse a portion of this site terminating in a portal southeast of the site. As part of the construction of the Mall tunnel it is necessary to erect a ventilation tower of considerable height in the vicinity of the south portal and the north portal. The ventilation tower at the north portal will be enclosed within the proposed Department of Labor building.

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3. JUSTIFICATION: (Cont'd)

The planning of the National Capital Planning Commission has contemplated the construction of an office building on this site. General Services Administration engaged the firms of Marcel Breuer and Associates and Nolen - Swinburne and Associates to provide a design concept for a building which will be compatible with the surroundings and make maximum utilization of the site including the air rights above the tunnel. A design concept has been prepared and was submitted to the National Capital Planning Commission. The Commission's Federal Planning and Projects Committee stated "The General Services Administration and its consultants should be commended for developing a design concept which is responsive to the limitations imposed on the site by the Center Leg Freeway and its ventilating requirements and which will be a distinguished addition to the architecture of the Nation's Capitol. . . . The Committee urges that the General Services Administration take the necessary actions to begin and complete the construction of this building as soon as possible in order to avoid an extended interim period of time between the completion of the unfinished ventilation tower and the construction of the office building which will ultimately surround and shield the tower from view."

In accordance with Section 8 (c) of the Public Buildings Act of 1959, as amended it is planned to consult the House Office Building Commission with respect to the proposed use for this site. Preliminary to such consultation the proposed project is being reviewed with the Architect of the Capitol because of the proximity to the Capitol and the House Office Buildings, and also since a small portion of the building would be located over the present right-of-way of Canal Street.

Studies have been undertaken on the most feasible means of providing for the increased housing requirements of Federal agencies in the Washington area. One of the most critical space needs in the Washington Metropolitan Area is that of the Department of Health, Education, and Welfare, which is now housed in 1,619,900 square feet of Government-owned space and 1,189,900 square feet of leased space at an annual cost of \$4,657,600. The Government-owned space is located in ten permanent buildings, four obsolete and two temporary buildings. The obsolete and temporary buildings are scheduled for demolition in the near future.

Studies of the operation of the Department of Health, Education, and Welfare indicate a critical need for consolidation of headquarters administrative functions of the Office of Education, the Administration on Aging, the Food and Drug Administration, the Public Health Service, the Social Security Administration, the Vocational Rehabilitation Administration, and the Welfare Administration. The activities include technical and research as well as administrative functions.

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3. JUSTIFICATION: (Cont'd)

For the past six years, the average annual employment in the Department of Health, Education, and Welfare in the Washington Metropolitan Area has increased approximately 1,000 per year. Based on the continued growth of many of the existing programs and the anti-poverty and medicare programs that are administered or assisted by the Department, it is estimated that Health, Education, and Welfare space needs will continue to increase at even a more rapid rate in the future.

The present fragmentation of the Health, Education, and Welfare is a major obstacle to the efficient administration and expansion of the Department's programs which are becoming increasingly more important to the health and social well being of the nation.

Completion of the building proposed herein will permit the reassignment or release of approximately 246,710 square feet of leased space and approximately 33,900 square feet in obsolete Government-owned buildings scheduled to be demolished. The activities now occupying approximately 161,000 square feet in two temporary buildings will shortly be assigned to other housing, probably leased space, and the temporary buildings demolished to make way for the construction of the Smithsonian Air Museum building. This leased space will also be released upon completion of the building herein proposed.

The Southwest Urban Renewal Area Plan requires one parking space for each 850 square feet of floor area in the building exclusive of all floor area devoted to parking and access to parking and loading space. The proposed building contemplates a garage of 194,000 square feet which will provide parking for approximately 500 official, visitor and employee vehicles. This amount of parking is consistent with the year 1985 plan now under development by National Capital Planning Commission. Before expending appropriated funds for the acquisition of additional land, every effort will be made to acquire the required property, in whole or in part by exchange for surplus Government-owned properties.

The housing plan for the Washington Metropolitan Area is summarized in Exhibit B, attached, to indicate the present and proposed distribution of space by types of buildings.

Provision has been made in the estimated project cost for fallout protection in the building in accordance with Office of Civil Defense Technical Requirements for Fallout Shelters issued March 1965.

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4. ANALYSIS OF PROVIDING SPACE BY NEW CONSTRUCTION COMPARED WITH LEASING:

An alternate method of providing suitable space in lieu of that proposed herein is by the leasing of privately-owned space. The following is a comparison of the cost of the proposed construction with the cost of leasing.

	<u>Proposed New Building</u>	<u>Comparable Leased Space</u>	<u>Savings Through New Construction</u>
(1) Estimated amount of annual rental - \$2,716,000 Invested in:			
a. Rental of leased space (Unserviced) for 50 years	-	\$135,800,000	-
b. Project cost (site, design and improvements)	\$28,568,000	-	-
c. Interest at 4 3/4% for period required to amortize Government project cost	<u>11,846,539</u>	<u>-</u>	<u>-</u>
(2) Total Investment	\$40,414,539	\$135,800,000	\$95,385,461
(3) Repair and upkeep for 50 years at \$.45 per sq. ft. (avg.)	<u>\$17,460,000</u>	<u>-</u>	<u>(-)17,460,000</u>
(4) Total 50-year cost	<u>\$57,874,539</u>	<u>\$135,800,000</u>	<u>\$77,925,461</u>
a. Annual Cost	\$ 1,157,491	\$ 2,716,000	\$ 1,558,509
b. Per Sq. Ft. (average)	\$ 1.49	\$ 3.50	\$ 2.01

NOTES:

A. Estimated useful life of new building - 50 years.

B. Amortization of the project cost of \$28,568,000 @ 4 3/4% interest will require 14.9 years of annual payments of \$2,716,000, the rental rate for comparable leased space.

C. Square footage in building - 998,000 gross area; 776,000 net area.

D. Normal operation and maintenance excluded since it would be the same in either situation.

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5. CURRENT HOUSING COSTS: *

	<u>Area Sq. Ft.</u>	<u>Annual Cost</u>
Leased space:		
Rent and other costs	246,710	\$ 995,091
Government-owned space:		
Operation, maintenance, and upkeep costs	195,290	<u>265,800</u>
Total.		\$ 1,260,891

* For agencies to be housed in the proposed building.

6. PROPOSED SPACE PLAN FOR HOUSING FEDERAL AGENCIES:

A comprehensive plan for housing Federal agencies in the locality is attached (Exhibit A). Upon completion of construction, assignment and reassignment of space will be made in accordance with existing law.

7. STATEMENT OF NEED:

It has been determined that (1) the needs for space of the Federal Government in this area cannot be satisfied by utilization of existing suitable property now owned by the Government, and (2) suitable rental space is not available at a price commensurate with that to be afforded through the proposed action.

Submitted at Washington, D.C. on August 30, 1966

Recommended: William A. Schmitt
Acting Commissioner, Public Buildings Service

Approved : James B. Felt
Administrator of General Services